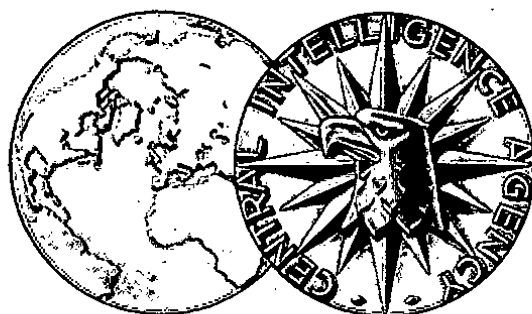


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# WEEKLY SUMMARY



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H I G H L I G H T S

The London Foreign Ministers' meeting completely overshadowed developments in other areas of the world as all other parties and onlookers in the cold war apparently marked time awaiting the results of the London talks. In the meantime, the USSR continued its propaganda offensive against the West and made it clear that it feels under no compulsion to resolve either the Berlin or Austrian issues (see page 4). In Sweden, however, there were signs of concern lest the London talks result in such a strengthening of the association of North Atlantic countries as would present Sweden with the alternatives of joining at the expense of its policy of rigid neutrality or abstaining at a sacrifice of advantages accruing from participation in a European organization (see page 2).

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WESTERN EUROPE

SWEDEN

**Neutrality Dilemma**    The prospect of a new or strengthened organizational machinery for the association of North Atlantic countries is causing the Swedish Government much concern. It fears that because military matters could not be excluded from the scope of such an organization, Sweden could not join without violating its rigid policy of neutrality. On the other hand, abstention might involve the sacrifice of various advantages in those fields of European cooperation which Sweden favors, such as the economic. If the new organization should show no "organic connection" with the North Atlantic Treaty, Sweden might be able to join, though the decision would be difficult. If the connection with NAT should be fairly plain, however, Sweden will almost certainly be pushed into further isolation, for it is not likely to abandon its policy of neutrality.

FRANCE

**Export Control**    Progress toward extending East-West trade controls to items on the US 1-B list will continue to be hampered by French fears that such a curtailment of its trade with Eastern Europe would be a severe economic hardship for France. Although the prohibition of 1-B exports to Eastern Europe would only reduce total French exports by one percent, the French will be reluctant to lose the bargaining advantage they feel they have in being able to offer 1-B items in exchange for products they need from Eastern Europe. Moreover, the French will argue in many instances that

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FRANCE

goods received from Eastern Europe are of more strategic value to France than the 1-B items are to Eastern Europe. Despite this French insistence on maintaining a certain measure of freedom over its exports to Eastern Europe, over-all French policy will continue to restrict activities that would strengthen the USSR and French exports of strategic materials to Eastern Europe will not be large.

**SECRET****E A S T E R N   E U R O P E**

**Satellite Armies**    Although all the Satellites have received some Soviet war materiel since 1945, the slowness of the delivery and the types of materiel being furnished indicate no desire by the USSR to make the Satellite forces effective in the near future. Partly as a result of the Tito defection, Bulgaria has received more Soviet materiel recently than any other Satellite, and the Bulgarian Army is now largely equipped with wartime or postwar materiel. Most of the equipment of the Polish Army is Soviet World War II type, but the majority of Poland's military units are well below full strength. In Rumania and Hungary, Soviet war materiel has been slow in arriving since World War II, and most of that sent from the USSR has been armor and small arms. The USSR has shipped little military equipment to Czechoslovakia since 1945, and Albania's small, poorly-equipped army probably does not have more than one-third of its armor and one-half its artillery from Soviet stocks. The failure of the USSR to provide more adequate military supplies to the Satellite forces can probably be attributed to: (1) distrust of the reliability of these forces; and (2) lack of Soviet intention that these forces should play an important part in any contemplated Soviet offensive action. In any event, no Satellite army is prepared for offensive action in the near future, primarily because of the lack of modern equipment and supplies.

**SOVIET UNION**

**Germany - Austria**    Recent Soviet actions concerning Berlin and the Austrian treaty make it clear that the USSR feels itself under no compulsion to resolve these issues and will continue to exploit them in its diplomatic and

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### SOVIET UNION

propaganda campaign against the West. For instance, Soviet "acceptance" of the Western proposal for all-Berlin elections contained conditions patently unacceptable to the West and could therefore have been designed only as a propaganda move to counter the favorable reaction in Berlin to the Western proposal--a move which is not likely, however, to restore the propaganda initiative to the USSR. Meanwhile, the USSR has deliberately procrastinated in the Austrian treaty talks by raising new issues, including proposing an amendment to a text already agreed upon. Currently, Soviet tactics in the talks demonstrate that the Austrian treaty cannot be settled by Western acceptance of the remaining unagreed articles. In addition to accusing the Austrians of violating directives on denazification and demilitarization, the USSR has attempted to explain its failure to conclude an Austrian treaty by accusing the West of refusing to abide by the Italian peace treaty provisions on Trieste and thus demonstrating the apparent futility of making any formal agreements with the West.

### FINLAND

Political Unrest     Although the recent general strike threat has been averted, general dissatisfaction with the centrist Kekkonen Government and its demonstrated ineptness in dealing with labor may lead to an attempt to overthrow the government later in 1950. The Kekkonen Government has been unable to deal successfully with labor's demands because the Social Democrats, who hold a controlling majority in the Central Federation of Unions (SAK), were excluded from the Cabinet. The government's dilatory attitude toward the question of increased pensions for civil servants and stalemated



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**FINLAND**

wage negotiations throughout Finnish industry produced the SAK-approved strike of locomotive engineers on 2 May and the subsequent SAK decision to stage a general strike. Mediation of the dispute by former Social Democratic Premier Fagerholm, at the request of both SAK and the Employers Federation, not only cost the government a considerable loss in popularity and prestige but also placed the Social Democratic Party, the government's leading opponent, in a stronger position to demand that it be included in the government.

**YUGOSLAVIA**

**Economic Reforms** Recent actions by the Yugoslav Government, including the abolishment of fixed prices on some consumer goods and elimination of government controls on the allocation of raw materials, will contribute substantially to improving economic efficiency and raising the morale of the people. By returning to a limited free market, consumer goods industries will be given more incentive and distribution of increased consumer goods will be on a supply-and-demand basis. Granting greater initiative to manufacturers will lessen the evils of bureaucratic control and stimulate the production of higher quality goods. The increased availability of higher quality consumer goods resulting from the measures would not only give the people tangible evidence of economic progress but improve their morale and productive efficiency.

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NEAR EAST - AFRICA

TURKEY

Election Forecast Although it is generally expected that the People's Republican Party (PRP), which has governed Turkey throughout the lifetime of the republic, will be returned to power in the general elections of 14 May, the opposition Democratic Party (DP) has a fair chance, if the new electoral law is properly enforced, of winning a plurality, and possibly even a majority, of the 487 seats in the National Assembly. The new electoral law provides that voting, for the first time in Turkey's history, will be free, secret, and unhampered; the DP's chances for victory depend on the ability of government officials to forego tampering with elections returns and the extent to which the peasants--constituting a large majority of the electorate--favor the opposition party. In any event, the Democratic Party is expected to make a considerable reduction in the PRP's present majority (about 86 percent of the seats). Whichever party wins the election, the government's conduct of foreign relations will not be changed, as the opposition Democrats have strongly endorsed and upheld present policy, and the subject is not an issue in the electoral campaign of either party. The only other party which has been able to meet the requirements set by the new law for representation in the elections, the Nation Party, has no chance of winning, and at best might be able to gain a sufficient number of seats to hold a strong bargaining position in the Assembly if neither the PRP nor the DP should win a majority.

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**F A R E A S T**

**Sydney Conference**    The Commonwealth Conference which meets at Sydney, Australia on 15 May to consider plans for economic and technical assistance to Southeast Asia is expected to do little more than examine specific projects that might be adopted and discuss what each Commonwealth country could contribute. Although the various dominions agree on the importance of economic aid as a deterrent to the spread of Communism, their own economic difficulties and already extensive commitments elsewhere preclude the drawing up of a comprehensive economic aid program accompanied by firm Commonwealth commitments. The UK, which would have to bear the major share of the cost of a Commonwealth "Marshall Plan" for Southeast Asia, believes that only the US has the resources to support such a program and will accordingly try to persuade the conference to limit itself to plans for increased production and better distribution of foodstuffs. India and Pakistan are too preoccupied with domestic problems to bring any well-formulated ideas to the conference and would give only lukewarm support to any plan which seemed likely to divert possible US aid away from themselves.

**THE PHILIPPINES**

**Political Unrest**    Strong Congressional opposition to President Quirino's administration continues. Although Quirino is apparently gaining some lower house support by promising approval of "pork barrel" legislation, Liberal Party Senators have rejected his request for broad emergency powers. Meanwhile, Vice President Lopez

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**THE PHILIPPINES**

continues his thinly-veiled attacks on Quirino. The President himself, in the first move toward his promised Cabinet reorganization, has relinquished the foreign affairs portfolio to UN Representative Carlos Romulo. Quirino's release of control over foreign affairs, which he has heretofore jealously guarded, indicates that he may be willing to make further concessions. However, his stubborn desire to retain as much power as possible, in the face of increasing discontent, may result in impeachment attempts by opposition elements in the Philippine Congress prior to its scheduled adjournment on 19 May.

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**WESTERN HEMISPHERE**

**VENEZUELA**

**Petroleum Strike**    Moving swiftly against the Communist instigators of the Venezuelan petroleum strike, the military junta government has dissolved the Communist federation of unions and ordered the strikers back to work. Declaring that it has evidence proving the work stoppage had been planned and directed by the Venezuelan Communist Party, aided by groups of Accion Democratica adherents, the government has dissolved all the unions involved. The government's strong anti-Communist action on the strike issue will probably be followed by the outlawing of the Communist Party. Although a repressive anti-Communist policy provides no permanent solution to the country's labor problems, the government's firm stand will eliminate much of the Communist influence in the strategically important petroleum industry.

**HAITI**

**President Ousted**    The ouster of President Estimote by a three-man military junta led by Colonel Magloire will have no basic effect on Haitian foreign policy. The principal effect of this development will be to register one more defeat for constitutional government in the Hemisphere. During Estimote's tenure of office since mid-1946, Colonel Magloire has in effect dominated Haitian politics, and his seizure of power, though ostensibly to cope with the popular disorders of the past week, was probably motivated by his fear that Estimote would attempt to assume dictatorial powers before the 1952 elections.

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